NUEXCO

EXECUTIVE SUMMARY
REPORT 197
(All data as of December 31, 1984)

Exchange Value
$15.25, down $0.25

The **Exchange Value** is **$15.25** per pound U_3O_8, down $0.25 since last month. Seven recent uranium sales are reported, involving a total of 2.6 million pounds U_3O_8 equivalent. Six involved deliveries prior to 1986, and five met the conditions for inclusion in the Transaction Value.

Supply-Demand Ratio
fell to 2.9:1

Active spot and near-term **uranium supply** amounts to **3.6 million** pounds U_3O_8 equivalent, down 1.6 million pounds since last month. Active spot and near-term **uranium demand** totals **1.3 million** pounds, down 60 thousand pounds. The spot and near-term **supply-demand ratio** declined to **2.9:1.**

Transaction Value
unchanged at $15.90

The **Transaction Value** is **$15.90** per pound U_3O_8, unchanged since last month. The calculation includes 16 transactions involving a total of 3.7 million pounds U_3O_8 and equivalent UF_6, and covers a period of 7 months.

Loan Use Charge Rate
unchanged at 6%

The **Loan Use Charge Rate** remains **6 percent** per annum in a dormant market.

Conversion Value
fell to $0.80

The **Conversion Value** is **$0.80** per pound U as UF_6, unchanged since last month. One secondary market conversion transaction is reported, involving approximately 275,000 pounds U as UF_6. Active secondary market supply of conversion services for delivery within three years totals 1.0 million pounds U as UF_6. No active demand is reported.

SWU Values:
$112 for DOE-origin (FY85)
$15 discount for FY86
$80 for non-DOE origin
(delivery within 15 months)
$90 for calendar year 1986

The **SWU Values** for DOE origin at .3 tails and certifiable as excess, are **$112** per SWU for FY85 delivery, and **$15** per SWU discount from DOE base price for FY86 delivery. SWU Values for other SWUs (non-DOE or non-certifiable) are **$80** per SWU for delivery within 15 months, and **$90** per SWU for mid-to-late calendar year 1986. Two secondary market SWU transactions are reported, involving 90 thousand SWUs.

Analysis & Commentary

The last in a series of three articles on the concepts and applications of the optimum tails assay examines how the dependence of inventory carrying costs on the tails assay affects nuclear fuel management.

Basic Considerations

Five companies in the USA fabricate nuclear fuel for Light Water Reactors, as well as providing engineering support systems ranging from in-core management to fuel reconstitution.

United States

Three US uranium producers have filed suit against DOE, alleging that the USEC violates the Atomic Energy Act requirement that the USA maintain a viable uranium industry.

1984 Index

This Report includes an index to Reports published in 1984 (185-196).

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NUEXCO REPORT 197 FIGURES OF THE MONTH (December 31, 1984)	This Month (Report 197)	Last Month (Report 196)	12 Months Ago (Report 185)
Exchange Value[1]	15.25	15.50	22.00
Transaction Value[1]	15.90	15.90	23.85
Loan Use Charge Rate[2]	6%	6%	6%
Conversion Value[3]	0.80	0.80	0.60
Near-Term Uranium Supply[4]	3.6	5.2	5.9
Near-Term Uranium Demand[5]	1.3	1.3	2.5
Near-Term Supply-Demand Ratio	2.9	4.0	2.5
Recent Uranium Sales:			
Number of Transactions[6]	7	3	2
Quantity of Material[7]	2.6	9.8	1.0
Nuexco SWU Values:[8]			
DOE origin, certifiable as excess, 0.3 tails assay			
FY85 delivery	112	115	—
FY86 delivery	15[9]	15[9]	—
Other SWUs (non-DOE or non-certifiable)			
delivery within 15 months	80	85	—
delivery for calendar year 1986	90	95	—
USDOE SWU Prices:			
USEC	135.00	135.00	—
AFC	153.00[10]	153.00[10]	138.65
Requirements	157.00[10]	157.00[10]	149.85
Market Value of Enriched UF_6[11] [12]:			
2.5 w/o U_{235}	507	518	604
3.0 w/o U_{235}	657	671	774
3.5 w/o U_{235}	810	828	948
4.0 w/o U_{235}	965	987	1,124

[1]US $ per pound U_3O_8 equivalent.
[2]Per annum.
[3]US $ per pound U as UF_6.
[4]Active inquiries to sell, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[5]Active inquiries to purchase, for delivery within 12 months after contract signing (millions of pounds U_3O_8).
[6]Uranium sales only; does not include loans, conversion, or SWU transactions.
[7]Millions of pounds U_3O_8 equivalent.
[8]US $ per SWU.
[9]Discount from USEC base price on delivery.
[10]Effective 10/1/84.
[11]Calculated using the Nuexco Exchange Value, Conversion Value, and 0.30 percent tails assay. From 10/31/83 through 2/29/84, calculations used the Nuexco SWU Value for DOE origin and FY84 delivery. As of 3/31/84, calculations use the Nuexco SWU Value for DOE origin and FY85 delivery.
[12]US $ per KgU as UF_6, rounded to the nearest $.

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